

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7907

BILL NUMBER: HB 1819

DATE PREPARED: Jan 26, 2001

BILL AMENDED:

SUBJECT: Indiana Tax Court.

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FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill transfers review of determinations of the State Board of Tax Commissioners from the Tax Court to the Court of Appeals on July 1, 2001. This bill eliminates the Tax Court on December 31, 2008. The bill transfers review of determinations of the Department of State Revenue from the Tax Court to a Circuit Court on January 1, 2009.

Effective Date: July 1, 2001.

Explanation of State Expenditures: With the removal of property tax appeals to the Court of Appeals, the Tax Court could experience a reduction in its caseload. Depending on the number of cases transferred, the Court of Appeals may see a corresponding increase in its caseload.

Currently, there are 400 State Board cases in review with the Tax Court. Additionally, there are 1,500 to 2,000 pending appeals with the State Board.

Beginning in FY 2009, the Tax Court would be eliminated, which would reduce state expenditures. Estimated FY 2001 expenditures by the Tax Court are \$517,933. Actual FY 2000 expenditures by the Tax Court amounted to \$452,211. In FY 1999, expenditures were \$509,325.

On January 1, 2009, the Department of State Revenue would be required to assist the Tax Court and the appropriate Circuit and Superior Courts with identifying where to transfer each action.

The Legislative Council would be required to provide for the introduction of legislation in the 2009 session of the General Assembly to remove obsolete references to the Tax Court from the Indiana Code. The Legislative Services Agency will be able to absorb the expenses required for this provision within its budget.

Explanation of State Revenues:

Explanation of Local Expenditures: With the elimination of the Tax Court on December 31, 2008, and transfer of Department of State Revenue determinations to the County Circuit Courts, the Circuit Courts could experience an increase in the amount of resources needed to absorb the additional cases. After December 31, 2008, the bill would allow persons with a place of residence or primary business location in Indiana to appeal a decision by the Department of State Revenue to their respective County Superior or Circuit Court. Persons with principal place of residence or primary business location outside of Indiana would appeal to the Marion County Circuit Court.

Explanation of Local Revenues:

State Agencies Affected: Indiana Tax Court; Court of Appeals of Indiana; State Board of Tax Commissioners; Department of State Revenue; Office of the Attorney General; Legislative Council.

Local Agencies Affected: Superior and Circuit Courts.

Information Sources: Indiana State Budget Agency; Mark Webb, State Board of Tax Commissioners.